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Sicklerville, New Jersey Man Sentenced to Prison for Conspiring to Defraud the IRS

(More)

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CAMDEN, N.J. – A Sicklerville, New Jersey man was sentenced today to a year and one day in federal prison for conspiring to defraud the Internal Revenue Service, United States Attorney Paul J. Fishman announced.

The sentence was imposed on Luciano Di Salvatore, 72, by United States District Judge Jerome B. Simandle in Camden federal court. Di Salvatore previously pleaded guilty before Judge Simandle on November 23, 2009, to an Information charging him with conspiracy to defraud the IRS, admitting he participated in a scheme to shield income generated from the sale of a business called Municipal Code Inspection, Inc. (“Municipal Code”). Municipal Code was a building inspection company located in Sicklerville, New Jersey, which contracted with municipalities to perform building, plumbing, fire, electrical and elevator inspections on behalf of the municipalities.

According to documents filed in this case and statements made in court:

Di Salvatore, who had a business interest in Municipal Code, admitted that he met with Municipal Code’s accountant, Victor Fabietti, Jr., to discuss the payment of \$165,000 from Municipal Code to Michael Schaffer, and that as a result of his conversation with Fabietti, Di Salvatore agreed that the payment should be characterized as a loan in order to make it more favorable to Schaffer for income tax purposes. Di Salvatore admitted that he intended for Schaffer to receive taxable income in the amount of \$165,000 without having to pay taxes on that amount.

In addition to the prison term, Simandle sentenced Di Salvatore to two years of supervised release and ordered him to pay \$96,038 in restitution and a \$5,000 fine.

Fabietti, 46, of Linwood, New Jersey, pleaded guilty before Judge Simandle on Dec. 5, 2008, to conspiracy to defraud the United States and making a false statement. He is scheduled to be sentenced on June 16, 2010.

Schaffer, 62, of Somerdale, New Jersey, pleaded guilty before Judge Simandle on Feb. 18, 2010, to one count of conspiracy to defraud the United States for his role in the scheme. He is scheduled to be sentenced on June 4, 2010.

In determining an actual sentence for Fabietti and Schaffer, as he did in sentencing Di Salvatore, Judge Simandle will consult the advisory United States Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant’s criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining the sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

U.S. Attorney Fishman credited Special Agents with the IRS’s Mays Landing and Trenton Posts of Duty, under the direction of Special Agent in Charge William P. Offord, for the ongoing investigation of this case.

The Government is represented by Assistant U.S. Attorney Jason M. Richardson of the Criminal

Division in Camden.

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Defense Counsel: Rocco C. Cipparone, Jr., Esq., Haddon Heights, New Jersey; Robert Williams, Esq., Cherry Hill, New Jersey